

**IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ' A ' Bench, Hyderabad**

**Before Smt. P. Madhavi Devi, Judicial Member
AND
Shri S.Rifaur Rahman, Accountant Member**

ITA No.1298/Hyd/2017
(Assessment Year: 2014-15)

Dy. Commissioner of Income Tax, Circle 3(1) Hyderabad
(Appellant) Vs M/s. Sandor Medicaids Private Ltd, Hyderabad
PAN: AADCS4168H
(Respondent)

For Revenue : Shri M. Naveen, DR
For Assessee : Shri Rajeev Sindhi

Date of Hearing: 27.06.2018
Date of Pronouncement: 29.06.2018

ORDER

Per Smt. P. Madhavi Devi, J.M.

This is assessee's appeal for the A.Y 2014-15 against the order of the CIT (A)-3, Hyderabad, dated 19.05.2017.

2. Brief facts of the case are that the assessee company, engaged in the business of importing and distribution of life saving drugs and medical devices, e-filed its return of income for the A.Y 2014-15 on 30.09.2014 admitting an income of Rs.4,15,09,508. During the assessment proceedings u/s 143(3) of the Act, the AO asked the assessee to submit certain details and the assessee, vide letter dated 27.12.2016, submitted the details called for. However, observing that the assessee did not provide all the information called for and that it is difficult to ascertain the

reasonableness and genuineness of the quantum of expenditure claimed by the assessee, the AO rejected the books of account and estimated the income at 8% of the gross sales and brought it to tax. Aggrieved, the assessee preferred an appeal before the CIT (A) who allowed the same by observing that the AO did not specify as to what was the information which the assessee was unable to provide or the discrepancies noticed in the voluminous information submitted by the assessee. She also observed that the books of account were subject to audit both under the Companies Act as well as under the I.T. Act and therefore, the books of account were rejected without proper reasoning and without identifying any defects. The CIT (A), thus granted relief to the assessee and the Revenue is in appeal before us.

3. The learned DR supported the orders of the authorities below, while the learned Counsel for the assessee supported the orders of the CIT (A).

4. Having regard to the rival contentions and the material on record, we find that the AO has not specifically brought out what was the information which was not furnished by the assessee and as to that affected the computation of income of the assessee. She has also not brought out the discrepancies in the books of account which would affect the computation of income. Therefore, as rightly held by the learned CIT (A), the AO has rejected the books of account without reasonable cause and we see no reason to interfere with the order of the CIT (A). Revenue's appeal is accordingly dismissed.

5. In the result, Revenue's appeal is dismissed.

Order pronounced in the Open Court on 29th June, 2018.

Sd/-
(S.Rifaur Rahman)
Accountant Member

Sd/-
(P. Madhavi Devi)
Judicial Member

Hyderabad, dated 29th June 2018.

Vinodan/sps

Copy to:

- 1 Dy. CIT, Circle 3(1) Room No.714, 7th Floor, Signature Towers,
Opp: Botanical Garden, Kondapur, Hyderabad
- 2 M/s. Sandor Medicaids Pvt. Ltd, 8-2-326/5, Road No.3, Banjara
Hills, Hyderabad
- 3 CIT (A)-3 Hyderabad
- 4 Pr. CIT – 3 Hyderabad
- 5 The DR, ITAT Hyderabad
- 6 Guard File

By Order